BUDGET FY1953

0

(1)

U.S. OPERATIONS MISSION TO SAUDI ARABIA
Jidda

December 23, 1953

TO: Mr. Harland J. Corson
Director

FROM: John Bode
Controller

SUBJECT: Program Authorization for FY 1954 and recent Allotment of $604,000

The budgetary limit for United States technicians is $807,000 for the 1954 Fiscal Year. Evaluated in the light of past actual and future probable costs, this figure does not permit the total number of technicians to exceed 37 at any time during the remainder of the current fiscal year. Broken down by Fields of Activity, the maxima are as follows:

FIELD OF ACTIVITY	MAXIMUM NUMBER OF TECHNICIANS
Agriculture.....	8
Health and Sanitation.....	6
Education.....	5
Natural Resources.....	10
Transportation & Communication.	4
Public Administration.....	4
Total....	37

The maximum authorized to be obligated by approved Program Agreements is $540,000. Previously sub-allotted have been $110,220. The remainder of $429,780 may be immediately sub-allotted to the individual Fields of Activity in the following proportion:

FIELD OF ACTIVITY	AMOUNTS WHICH MAY BE IMMEDIATELY SUB-ALLOTTED $	AMOUNTS PREVIOUSLY SUB-ALLOTTED $	MAXIMUM AUTHORIZED TO BE OBLIGATED BY PROGRAM AGREEMENTS $
Agriculture	133,000	---	133,000
Health and Sanit.	105,945	* 51,055	157,000
Education	29,000	** 58,000	87,000
Natural Resources	72,835	*** 1,165	74,000
Transport. and Comm.	x 89,000	---	89,000
Totals	429,780	110,220	540,000

* Quarantine Station Project $50,000 and Local Salaries $1,055.

** Commercial School Project.

*** Local Salaries.

x Includes $14,000 for Railroad Training Project.

TELEGRAM

Foreign Service of the United States of America

OUTGOING

CONFIDENTIAL
Classification

CHARGE:

Control: TOUSFO 233

TO: FOA/W

DATE: Dec. 23, 1953

In accordance agreement reached Istanbul Conference request authorization exchange Diplomatic Notes as provided Par C (1) TCA:Org-18 dated 9-1-53 and reply TOUSFO 213.

CORSON

EJCorson
TFTaylor/djh

CONFIDENTIAL
Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

File
Copy Bode

TELEGRAM RECEIVED

From: DEPARTMENT

Date: December 14, 1953

No:

Received: USFOT 167

Code: UNCLASSIFIED

December 15, 0645Z

Funding Program FY 1954.

FY 1954 Funding remains as follows:

Total alloted through December 3rd Quarter 4th Quarter $83200, $39500, $39500 review obligations first Quarter indicates exactly equalfirst Quarter allotments suggesting a miscellaneous obligation for entire allotment. Essential obligations be reported for only documented liabilities accordance with budget slash treasury regulation No. 1. Limitations Administrative Funds makes it essential that Administrative costs be reduced to minimum. Rery not received our request FY 1954 fundings plan dated November 10 requiring submission by November 30. Request submission soon as possible indicating any savings. Any additional essential requirements above plan must be justified in detail. Advise soonest number of locals and total annual salaries charged Administrative Accounts.

RAND

lms

DIST:

FAO - Action ✓
Jones
File

UNCLASSIFIED

File

Copy JPB

Recd 12/12

TELEGRAM RECEIVED

FROM: SECSTATE WASHINGTON

Date: 090031Z December 8, 1953

No: USFOTO 158

CODE: CONFIDENTIAL

Received: December 10, 1953 8:30 AM

Sent Cairo USFOTO 252 Addis Ababa USFOTO 120 Baghdad USFOTO 242 Beirut USFOTO 208 Monrovia USFOTO 149 Tripoli USFOTO 120 Jidda 158 FROM Department

1. FY 1954 TA program approved. Telegram advises $ amount and first six months allotment of funds.

2. Substance approved program essentially same as your submission early September. Program authorization document being airmailed

3. You are authorized immediately proceed implementation program through negotiation specific projects and signing project agreements. Continuation use of obligational program (field of activity) agreements under discussion here, on grounds tying up funds and leading to large amounts unreserved funds. This subject to be discussed Istanbul. Pending decision this point, program agreements will not be drafted in such a way as to constitute an obligation of US funds. Project agreements may, however, obligate US funds.

4. 1955 appropriation request and ultimately appropriations will be influenced in large measure by prior year and 1954 unsubobligated (unreserved) balances. Therefore, incumbent upon USOM plan program in such boshs to maximize opportunites for rapid subobligation funds by selecting projects well advanced planning stage. With respect new projects, project agreement should be signed and obligation US funds incurred only if USOM feels confident it can ititiate subobligation action for entire amount within six months after date signing agreement. With respect continuing projects, new project agreement should not be signed whenever significant unsubobligated (unreserved) balances are carried forward from prior year obligations and obligation new funds should be incurred only if and to the extent that USOM feels confident it can initiate subobligation action within six months for entire combined of amount of new funds and unsubobligated carryover.

5. Any significant deviations from program submitted by USOM September 1953 must be approved Washington prior obligation funds. All other changes must be reported Washington on regular basis. Whole question regarding programming will be discussed Istanbul.

CONFIDENTIAL

6. In Arab States USOM not to issue an official information release announcing the amount of US assistance being made available under the TA program. Any information release should be confined to routine announcements on the conclusion of program and project agreements. Comparison of country totals in the Near East tends to create friction between the recipient countries and the US and our objective is to avoid encouraging these comparisons through issuance of official releases.

STASSEN

ga

Distribution:

1-FOA - Action
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TELEGRAM RECEIVED

SECURITY INFORMATION

HFC
TFT
File
JB
Rec'd 12/11

090030Z

FROM: SECSTATE WASHINGTON

Date: December 8, 1953

No: USFOTO 157

CODE: CONFIDENTIAL

Received: December 10, 1953
9:00 AM

1954 allotments.

(1) Approved TA program FY 54 (exclusive program direction and domestic program cost) GQ $1,462,000.

A.	United States technicians	$807,000
B.	Trainees	$115,000
C.	All other progrm costs	$540,000

(2) Previously allotted to USOM $396,000. Additional allotment approved $604,000. Advice of allotment follows.

(3) Transfers between categories A, B, and C, paragraph 1 above, will not be made without FOA/W approval.

STASSEN

ga

Distribution:

1-FOA - Action
1-Jones
1-McCullars
1-File

HFC

SECURITY INFORMATION

CONFIDENTIAL

U.S. Operations Mission
to Saudi Arabia
Jidda

OFFICIAL - INFORMAL

November 28, 1953

Dear Paul:

We refer to your letter dated November 6.

In our correspondence, we have frequently inquired as to the status of Meistrell's recruitment and departure for Saudi Arabia, thereby indicating our concern regarding this matter. As you know, we cannot request host government clearance until U.S. clearances have been obtained. These had not been obtained at the time of Taylor's departure from the U.S. To date we have received no word from FOA/W that Meistrell's clearances there have been completed. Therefore we were quite surprised when we received your cable, USFOTO 127 dated November 3d, requesting urgent host government clearance without giving us at the same time the necessary biographical information on him. We immediately requested such information (see our cable TOUSFO 197 dated 11/4), following up that cable by another, TOUSFO 204 dated November 15. Again, in our cable TOUSFO 212 dated November 23d, we asked for such biographical information. Up to this writing we have had no reply from FOA/W in this connection nor do we know the status of Meistrell's recruitment. We sincerely hope that he has not accepted another position, thereby necessitating the recruitment of another qualified man for this important position, with the resultant delays.

Since the arrival here of the undersigned, many meetings have been held with the Division Chiefs on not only the FY-54 but also the FY-55 Budget Estimates. Plans have been prepared for carrying out the FY-54 programs and projects; all but one AIRPAR, corresponding to new recruits for FY-54 work, have been forwarded already to FOA/W; requisitions for supplies and equipment for the FY-54 program are being prepared and will be sent to FOA/W by pouch on December 7. Lack of stenographic help has held up our work here tremendously. The obligation numbers for these requisitions will be forwarded by cable after we receive the allotment of '54 funds.

Until such time as we hear from you regarding the outcome of the FOA/USOS contract discussions, we hesitate to do anything regarding

recruitment

Mr. Paul F. Taggart,
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division,
Near East, South Asia and African Operations,
Foreign Operations Administration,
Washington 25, D. C.

recruitment of personnel or requisioning supplies and equipment for our Natural Resources Division. We reiterate here that we would prefer to contract water development work under our FY-54 budget and '54 Special Economic Aid Program.

We heartily agree with you in that for the FY-55 period, it would be preferable to embody technical assistance programs and grant aid programs into one over-all program since in so far as Saudi Arabia is concerned grand aid programs are of a technical assistance nature to be carried out on a cooperative service basis. By this same mail we are sending you a revised FY-55 budget, fully supported, for a total U.S. contribution of a little over five million dollars. We had prepared a revised FY-55 budget totalling about $2,600,000 and were ready to send it to you when we received your letter under reply. We immediately discussed a further upward revision of our revised FY-55 budget as suggested by you.

By pouch on December 7, we plan to forward to you an illustrative budget, totalling $100,000 for two projects, for Muscat in order that consideration can be given by Congress to technical assistance for Muscat during the coming fiscal year.

Sincerely yours,

Harland J. Corson
Director
U.S. Operations Mission
to Saudi Arabia

HJCorson:c

U.S. Operations Mission
to Saudi Arabia
Jidda

OFFICIAL-INFORMAL
UNCLASSIFIED

November 28, 1953

Dear Paul:

Thanks ever so much for your kind letter dated October 30th.

We all here are most interested in that our FY-54 and subsequent agreements be of the Cooperative Service type. Of course we don't know as yet SAG's reaction to this type of agreement which involves their actually putting up cash in advance for financing each program and/or project. We feel that they can be convinced as to the advisability of such an agreement and we will do our best towards that end. So, we urge that everything possible be done there to allow us to try to set up Cooperative Service Agreements. They would answer many of our problems, principally getting money out of SAG and getting them involved to a much greater extent in carrying out the program and projects agreed upon.

As you know, we have received the draft of diplomatic note to be exchanged with SAG (your USFOTO 143), on which we have offered our comments and suggestions (TOUSFO 213). We are awaiting now the final draft of the note to be presented to SAG, thereby setting up the 1954 technical and economic aid program. We hope that by the time this final draft is received, we will have received the allocation of '54 funds and that the Embassy will have been instructed to proceed with the exchange of diplomatic notes prescribed in FOA Manual dated September 1, 1953, thereby setting up the Cooperative Service form of agreement for the respective programs.

In the meantime, each of our Division Chiefs is discussing the details and costs of each project under our FY-54 budget in order that the total amount and the respective SAG-US contributions may be ascertained and such figures used for the program agreement. These program agreements, we are informed, are to be submitted by the respective Minister to the newly formed Cabinet of Ministers (over which Crown Prince Feisal presides) for approval. As each such agreement is accepted by the Cabinet, the respective Minister is thereby authorized to sign it. This being done, project agreements under such program agreement then need only the approval and signature of the Minister.

Past

Mr. Paul F. Taggart,
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and African Operations
Foreign Operations Administration
Washington 25, D. C.

Past experience in dealing with SAG on money matters has clearly proven that every effort must be made to get them to put up in advance the entire amount corresponding to each program and/or project agreement. If this is done, it follows that SAG will logically expect us to do likewise. Therefore, we urge that arrangements be made at your end:

1. For the total amount (not by quarters) of program funds, excepting U.S. Technicians' costs, being made available to this Mission for each program embodied in our FY-54 budget.

2. For authorization being given to this Mission to withdraw from the Treasury and deposit in cash in an acceptable commercial banking institution the total amount of program funds (mentioned in paragraph 1 above) at the time FOA/W approves each program and/or project agreement. Such funds naturally will not be so deposited except simultaneously with SAG's deposit corresponding to their agreed upon contribution.

NOTE: Local commercial banking institutions here are the following:

Netherlands Trading Society
Banque de l'Indo-Chine
British Bank of the Middle East
Arab Bank, Ltd.
Gellatly Hankey & Co. (Saudi Arabia) Ltd.

We sincerely trust that FOA/W will concur with the recommendations given above.

Sincerely yours,

Harland J. Corson
Director
U.S. Operations Mission
to Saudi Arabia

HJCorson:o

FY 1954 BUDGET

	TOTALS	NO. U.S. PERS.	COST U.S. PERSONNEL	NO. OF TRAIN.	COST OF TRAINEES	LOCAL PERSONNEL ESTIMATE	SUPPLIES & EQUIPMENT	CURRENT FIELD COSTS	CONTRACT PERSONNEL & SERVICES	OTHER COSTS	HOST GOVERNMENT CONTRIBUTION
AGRICULTURE											
Cost of U.S. Technicians	187,000	10	187,000								
Cost of Trainees	24,000			6	24,000						
Project #1 (30,000)	30,000						30,000				75,000
Project #2 (12,300)	12,300						12,300				12,000
Project #3 (30,000)	30,000						30,000				100,000
Project #4 (7,850)	7,850						7,850				15,000
Project #5 (12,430)	12,430						12,000			430	4,000
"Other Costs"	40,420					8,000				32,420	
TOTALS	344,000	10	187,000	6	24,000	8,000	92,150			32,850	206,000
HEALTH & SANITATION											
Cost of U.S. Technicians	140,000	7	140,000								
Cost of Trainees	32,000			8	32,000						
Project #1 (50,000)	50,000						50,000				540,000
Project #2 (2,500)	2,500						2,500				
Project #3 (85,000)	85,000						85,000				
Project #4 (2,000)	2,000						2,000				
Project #5 (17,500)	17,500					12,500	5,000				
TOTALS	329,000	7	140,000	8	32,000	12,500	144,500				540,000
EDUCATION											
Cost of U.S. Technicians	98,660	8	98,660								
Cost of Trainees	32,000			8	32,000						
Project #1 (58,300)	58,300					36,000	17,000			5,300	70,160
Project #4 (8,200)	8,200					1,500	6,700				9,000
Project #5 (14,140)	14,140					3,000	11,140				19,600
Project #6 (9,000)	9,000					9,000					10,200
Project #7 (11,700)	11,700					3,746	7,054			900	11,200
TOTALS	232,000	8	98,660	8	32,000	53,246	41,894			6,200	120,160

	TOTALS	NO. U.S. PERS.	COST U.S. PERSONNEL	NO. OF TRAIN.	COST OF TRAINEES	LOCAL PERSONNEL ESTIMATE	SUPPLIES & EQUIPMENT	CURRENT FIELD COSTS	CONTRACT PERSONNEL & SERVICES	OTHER COSTS	HOST GOVERNMENT CONTRIBUTIONS
NATURAL RESOURCES											
Cost of U.S. Technicians	246,092	10	246,092								
Cost of Trainees	12,000			3	12,000						
Project #1 (73,908)	73,908					9,912	63,996				670,000
TOTALS	332,000	10	246,092	3	12,000	9,912	63,996				670,000
TRANSPORTATION & COMMUN.											
Cost of U.S. Technicians	50,000	3	50,000								
Cost of Trainees	12,000			3	12,000						
Project #1 (75,000)	75,000						75,000				75,000
TOTALS	137,000	3	50,000	3	12,000		75,000				75,000
PUBLIC ADMINISTRATION											
Cost of U.S. Technicians	85,000	5	85,000								
Cost of Trainees	12,000			3	12,000						
TOTALS	97,000	5	85,000	3	12,000						20,000
GRAND TOTALS	1,471,000	43	806,752	31	124,000	83,658	437,540			39,050	1,631,160

File - Budget

Jidda, Saudi Arabia

November 6, 1952.

MEMORANDUM TO: Mr. E. Donaldson Fryer

FROM: Dr. Samuel S. Stratton

RE: FY-1954 Budget Justification

The enclosed FY-1954 Budget Justification has been prepared by Mr. Edward Detzig.

As drawn up, the budget provides for a substantial amount of material support. This is considered most necessary if TCA is to have an effective program in Saudi Arabia. There is no provision made for a Development Fund. It is considered best at this time not to do so. Much depends on the success of the community development projects which are to be undertaken in the course of FY-53.

Also to be considered is the attitude of the Saudi Arabian Government and the degree to which they contribute to and cooperate in the present program.

CONFIDENTIAL

JUSTIFICATION FY-1954 BUDGET TCA SAUDI ARABIA

Submitted November 6, 1952 by Mr. Edward Betzig

The FY-1954 Budget, exclusive of funds for Development Projects, is proposed to be $1,715,000. This is believed to be a realistic figure in keeping with the actualities of TCA Saudi Arabia and TCA Washington regulations.

Field experience increasingly points to the fact that an effective program needs both technicians and material, equipment, supply support. Experience has shown that a technician inadequately equipped is incapable of carrying out his duties. Saudi Arabia is a country lacking nearly all services considered normal even in most "underdeveloped" countries. If TCA/SA expects to be effective, it must accept the realities of local conditions and operate with a budget which effectively backstops the technicians.

Technician Cost - $840,000

U. S. personnel strength is set at 42. Figures received from Washington estimate the yearly per capita cost of these personnel at $20,000. Field experience would point to the correctness of this estimate. Cost items include: salary, allowances, etc.; transportation to and from the United States of personnel, family, and personal effects; housing cost of between $3,500 to $5,000.

If the figure of 42 technicians is accepted, the full complement ought largely to have been recruited by the start of FY-1954, namely July, 1953. Hence, they will be on TCA rolls either in Washington or in the field. However, although eight months of FY-1953 remain in which to carry out full recruitment, a conservative approach might estimate 32 as being the number which will be on the rolls at the start of FY-54. Thus, 10 would remain to be recruited during the course of FY-54. If it took half of FY-54 to complete recruitment, technician costs would be reduced by the equivalent of five technicians or $100,000. This sum of money would probably be available for contingency purposes.

It is seen that technician costs make up approximately 48% of the total budget. Few new Point Four programs have a budget which has a similarly high percentage for technicians.

COST OF SUPPLIES, EQUIPMENT, MATERIAL

With 48% of FY-54 allocated for personnel costs, the field proposes a supplies, equipment and material budget of $795,000, or less than that for technicians. The Saudi Arabian program will thus be far below the rates of $3.00 for supplies, etc. to $1.00 for technicians stressed in reports of Congressional hearings.

There is a tendency to believe that the Saudi Arabian program can be composed overwhelmingly of technicians. This is based on the premise that Saudi Arabia is an oil-rich country and hence capable of itself providing the wherewithal for a program of economic development. What is forgotten is the fact that before the oil exploitation began, Saudi Arabia was one of the poorest lands on earth. Oil revenues have enabled the Saudi Arabian Government to make a start towards providing the nation with some of the services of a modern state. Large sums have been expended for these purposes. Adverse publicity as to expenditures for Cadillacs and airplanes should not obscure the very real achievements made in the past three years. The August 26, 1952 "Country Annual Plan of Work, FY-1953" gave details as to SAG accomplishments.

Despite the oil revenues, Saudi Arabia needs and merits a strong Point Four program. Her backward state makes it difficult for a technician to work unless provided with material support. This can be clearly seen in the case of foreign technicians employed by the Saudi Arabian Government. Frequently they must wait for months doing nothing while they wait for equipment, buildings, supplies, etc. The demands on the Saudi Arabian Government in this respect are very heavy. Point Four ought not to place itself in a similar condition of having to wait on the Saudi Arabian Government to provide for the equipment before work can be carried on. Either the budget ought to provide adequately for 42 technicians or the number of technicians ought to be reduced to the point where those in the field are properly supplied.

Also to be considered is the fact that the Saudi Arabian Government in the summer and fall of 1952 were disposed to cancel the Point Four Agreement. The Government considered the program to be costing Saudi Arabia more than it was gaining. Also the Government strongly objected to the fact that it was receiving a program far smaller than that granted to other countries. The Saudi Arabian Government stated it wanted technicians but also

material

material help. Because of the serious nature of the Saudi Arabian Government attitude, the FY-1953 program was enlarged by the addition of a $500,000 Development Project Fund to be matched by a like sum by the Saudi Arabian Government. In the future it is unlikely that the Saudi Arabian Government would agree to a program based primarily on technicians. The Government is willing to contribute its share, but it also takes a strong position as to the need of Point Four to contribute material aid as well as technicians.

The FY-1954 budget does not include Development Project funds. It does provide funds to supply at least a minimum of the equipment, etc. considered necessary for the technicians to carry on their work effectively. It also seeks to take into consideration the strong Saudi Arabian Government objections to a program composed primarily of technicians.

The need for equipment support can be seen in virtually every field of work save in Public Administration and Government Services. The August 26, 1952 "Country Annual Plan of Work-FY-1953" provides a brief description of the primitive and poor state of Saudi Arabian economy. Examples are the following:

Education: Few schools exist, those that do are very poorly equipped, housed, etc. The urge is great for education, as experience with the Commercial School is showing. Local initiative definitely exists. But it needs initial Point 4 backing. The budget provides for $100,000 for Point Four operating funds with which to help improve or start schools and training centers. Without such funds, it is unlikely that Point Four impact on Saudi Arabian education can have much effect.

Health and Sanitation: Even the few cities and towns which have hospitals or health centers are inadequately provided for from a health point of view. A very large percentage of the Saudi Arabian population is sick. The Saudi Arabian Government has made a start to improve conditions but only the surface has been scratched. If TCA expects to initiate new projects and to improve old ones, Point Four must have funds to construct and equip at least a number of small health centers. The $200,000 allocated is a small sum for medicine and equipment, but it is a definite and visible contribution.

Natural Resources

Natural Resources: $175,000 is provided by the budget for this division. A large part of this expenditure is for the cost of a continuing aerial survey of areas marked for mineral study, railroads, roads, water resources, agricultural developments, etc. Aerial surveys are accepted as a first necessity if a land is to be developed. Information thus worked up enables other programs to go forward funded on scientific data. Without the aerial survey, other projects would be more difficult and costly to carry out. The remaining funds are for equipment, supplies, etc. needed to do field work in an area comprising hundreds of thousands of square miles. Saudi contributions to this program are apparent in the drilling equipment ordered by the government to carry out the recommendations of the group.

Agriculture: Scientific, economic and monetary aids to Saudi Arabian agriculture are unknown. The farmer must use techniques evolved in centuries past using his can slight resources. Proper drainage, water usage, soils studies, reclamation projects, etc. must be carried out if Saudi Arabia is to add to its present low production of foodstuffs. It is true that a technician can show the local people new ways of doing things; he can experiment with new crops and seeds, etc. But unless he has equipment and the means to carry out demonstration projects, his weight will be little felt. If Point Four intends to help Saudi Arabia in the difficult task of learning to use its few agricultural resources properly, then it must contribute at least a little material aid. The $135,000 allocated in this budget represents $15,000 per technician - certainly not a large sum, especially when considering the retarded state of Saudi Arabian agriculture.

An example of this is the problem of drainage. Possibly land now planted exclusively to dates could be improved and planted partly to other crops. If Point Four technicians proposed new methods without being able to demonstrate on a small scale how effective these were, it is not probable much local or government support would come. Such support would likely be forthcoming if our method were demonstrated to be workable.

Transportation & Communication

Transportation and Communication: Because of the retarded state of Saudi Arabia's transportation and communication facilities, Point Four seeks to stimulate the Saudi Arabian Government into undertaking the construction of a planned system of communication. This involves the making of surveys and studies. It also means Point Four will help improve certain sections of roads and open up penetration roads. By showing people how such measures stimulate the growth of a region, it is hoped such work will prime the Saudi Arabian Government and local authorities to do likewise. $100,000 is allocated for these purposes.

General Conditions: There are a number of facts frequently overlooked when considering the Saudi Arabian program. The first is the comparatively distinctive nature of local conditions. The oil revenues should not obscure the true facts of poverty, illiteracy, sickness and the lack of modern government or private institutions to deal with these and other problems of social and economic development. Point Four leadership can help channel Saudi Arabian Government funds into socially productive uses and in helping Saudi Arabia to learn to help itself.

Saudi Arabia has to start virtually from scratch on the long road to becoming a modern state. Few other countries are so uniquely lacking in schools, hospitals, transportation facilities, etc. Hence, a technician arriving in Saudi Arabia cannot expect to find institutions and organizations already established which only need to be improved and modernized. Actually, the reverse is true. All too frequently, the technician must be the initiator. A doctor going into a region where no health services exist must be equipped and supplied at least in the initial phases. An agriculturist confronted by the realities of Saudi Arabia must have material support at hand if he is to work with people hitherto dependent on their own resources. To stimulate the growth of modern education, Point Four has to be willing to supply part of the material needs of the schools or education centers in which it seeks to work. Such conditions make it necessary to back technicians with adequate material support.

A second

A second factor is that while the United States is important to Saudi Arabia, Saudi Arabia is also important to the United States. The oil reserves and installations represent an economic and strategic resource of very great value. The need of this oil for European industry is too well known to be stressed here.

Beyond the strategic value of the oil is the strategic location of Saudi Arabia - a great sub-continent astride the air-sea-land routes of Africa, the Near East and Asia. Saudi Arabia has been and is friendly to the United States. Her geographic location makes such friendship of great importance to the United States. By helping and strengthening this friendly power, we help ourselves.

A third factor is that the U. S. Capital investments in oil in Saudi Arabia represent one of the largest of American overseas interests. These investments amount to several hundreds of millions of dollars of American investors' capital. The Point Four program is a factor in preserving these investments by aiding in the stabilization of the economic and political conditions in Saudi Arabia.

A fourth factor touches one of the prime aims of Point Four. This is the aim which seeks to create conditions propitious to private investment. The amount of capital needed in Saudi Arabia for development purposes is very great. This capital must in large part be provided through private investment. Point Four can help to create conditions which will favor the growth of a strong state capable of resisting internal and external threats. Such stabilization will tend not only to protect these American investments already in existence but also help stimulate further investment and development. Private investment can only take place where a certain amount of security exists. If Point Four helps even in part to foster such conditions, it is fulfilling part of its stated aim.

Recapitulating,

Recapitulating, the United States has a definite stake in Saudi Arabia; namely, oil reserves and investment in installations, etc.; the value of the strategic location of Saudi Arabia for our foreign policy; and a Government which has demonstrated its friendly attitude to the United States. These factors illustrate that Point Four-Saudi Arabia is as important to the United States as Point Four is to Saudi Arabia. The size of the FY-1954 budget is not large when viewed in this light. An effective Point Four program must be viewed as a definite necessity. An effective program, in turn, must be built on technicians supported by the necessary equipment and materials. Therefore, the budget requested - namely $1,715,000 - is regarded as being fully justified and representing minimal needs.

CONFIDENTIAL (NOTE: Dollar figures in thousands of dollars)

FUNCTIONAL ACTIVITY CATEGORY	1953-US TECHNICIANS NO.	1953-US TECHNICIANS COST	1954 US TECHNICIANS NO.	1954 US TECHNICIANS COST	TRAINEES 1953 NO.	TRAINEES 1953 COST	TRAINEES 1954 NO.	TRAINEES 1954 COST	1953 OPERATING FUNDS	1954 OPERATING FUNDS	FY 1953 TOTAL	FY 1954 TOTAL
100 Agriculture												
1-Chief												
6-Tech	7	63	9	180	3	12	4	16	43	135	118	331
200 Health-Sanitation												
1-Chief												
6-Tech	6	50	7	140	3	12	5	20	25	200	87	360
300 Education												
1-Chief												
2-Tech												
1-Sec	4	32	4	80	3	12	5	20	23	100	67	200
400 Nat.Resources												
1-Chief												
3-Geologists												
1-Eng.Eng.	5	59	5	100	3	12	2	8	36	175	107	283
600 Trans&Communication												
1-Chief												
2-Engineers												
1-Secretary	4	42	4	80	3	12	2	8	18	100	72	198
700 Public Ad & Govt Serv.												
1-Chief Customs												
1-Tariff												
1-Budget												
1-Statistician												
1-Accountant												
1-Sec.	9	106	7	140	3	12	2	8	14	10	132	158
900 Program												
1-Dir												
1-Program												
1-Fiscal												
1-Ad.Asst.												
2 Sec	7	62	6	120					127	75	189	195
TOTALS	42	414	42	840	18	72	20	80	286	795	772	1,715

(plus R.R.Survey & Develop.Fund)

Budget

TELEGRAM

Foreign Service of the United States of America

OUTGOING

File 1
2
~~Chron III~~

UNCLASSIFIED

CHARGE: Classification Control: WHOM TOTEC #123

FOA/H DATE: Sept. 15, 1953

NOSEC.

Request DS-150 in amount $2500 for Maternal Child Health project agreement.

DUNAWAY

JADunaway
GWFerguson:o

UNCLASSIFIED

Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

Budget File!

TELEGRAM

Foreign Service of the United States of America

OUTGOING

CHARGE:

CONFIDENTIAL
Classification

Control: PRITY TOTEC #112

DATE: September 9, 1953

TO: TCA/W

TECTO 60. Summary of Program follows with dollars in thousands. Code: Agriculture A, Education E, Health H, Natural Resources N, Public Administration P, Transportation and Communications T. Number U S personnel: A 10, E 7, H 7, N 10, P 5, T 3, total 42. Cost US personnel (includes housing, transportation to and from US, all allowances): A 187, E 100, H 140, N 227, P 85, T 50, total 789. local travel A 20, E 3, N 29, total 52. Cost of local employees A 8, E 9, H 12, N 10, total 39. Vehicles-Equipment-Supplies, A 12, E 9, H 5, N 54, T 5, total 85. Projects in A - Livestock Improvement 32, Range Improvement 12, Breeding Sires 12, Drainage Hofuf 30, Crop Experiment Hofuf 7, E - Commercial School 58, RR Training 12, School Development Planning 9, H - Quarantine Station 50, Maternal Health Clinic 3, Immunization Program 85, P H Library 2, T - Visual Omni Range Civil Aviation 70, total 382. Trainees 33 - cost 135. Discussion with SAG re E and H projects well advanced, also SAG most interested expanded water exploration-development program. Contributions SAG to individual projects dependent on negotiations prior to signing agreement but should more than equal over-all US contributions.

DUNAWAY

JADunaway
EBetzig/djh

CONFIDENTIAL
Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

TELEGRAM

Foreign Service of the United States of America

OUTGOING

Budget

File 1
2
~~Chron III~~

RESTRICTED
Classification

CHARGE:

Control: NIROM TOTEC #107

TO: TCA/W

DATE: September 6, 1953

NOSSC.

Retecto 78. Tentative FY 54 allotment Natural Resources 320,000 which includes 5 supplementary technicians in Brown's proposed budget April 11 but not 10 for expanded water program. Can increase to 400,000 only by serious impairment planned programs of other divisions.

Dunaway

JADunaway:o

RESTRICTED
Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

Budget

XXXXXXXX
020900Z

September 1, 1953

FROM: SECSTATE WASHINGTON

TECTO 74

CODE: UNCLASSIFIED

Received: September 2, 1953
2:00 PM

TECTO CIRCULAR 41 Your position ceiling for American personnel paid from administrative funds for fiscal year 54:

Position No.	Title	Incumbent
T-1	Director	Corson
T-16	Secretary	Marlin
T-15	Exec. Officer	col3 vacant
T-2	Clerk Steno	Oakes
T-19	Clerk	vacant
T-5	Asst Program Officer	Betzig
T-17	Controller	Bode
T-4	Program Officer	Hazleton
T-6	Clerk Steno	Haddock

Specific comments relating ceiling to budget request being airmailed soonest.

STASSEN

ga.

Budget File

CONFIDENTIAL

American Embassy
Jidda, Saudi Arabia

MEMORANDUM

August 22, 1953

TO: Chiefs of Divisions and Assistant Program Officer
TCA/Saudi Arabia

FROM: John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia

SUBJECT: Meeting of Division Chiefs to discuss telegram TECTO 60

There will be a meeting of division chiefs at 8:00 A.M., Monday, August 24, 1953.

Encl - TECTO 60
(This should be returned to the files for safekeeping.)

JADunaway
EFSinclair/djh

CONFIDENTIAL

Budget

CONFIDENTIAL

Security Information

192337Z
Date: August 19, 1953
Control: TECTO 60
Recd: August 20, 1953
1:15 PM

COPY
INCOMING TELEGRAM

FROM: SECSTATE WASHINGTON

FY 54 funds.

Mutual Security Appropriation ACT, provides $33.8 million technical assistance program funds (NEADS) Exclusive program direction) against budget request $43.8 million. You authorized plan FY 1954 program $1,483,000 exclusive administration expenses paid from Title I but including: (1) careful estimate amount required for US technicians salaries and allowances, trainee grants, and other costs paid directly by US and not specified in program or project agreements. (2) careful estimate of amount you propose be contributed to joint or other operation funds specifically indicated in program or project agreements. Domestic program cost item $17,000 included "Blue Book" presentation being handled Washington not included above. ~~X~~ Advice on administrative expenses (formerly program direction) will follow. Separate allotments administration and program funds required because of rearrangement appropriation structure this year. You may discuss FY 1954 program with country within fund limitations and commence preliminary negotiations aimed toward concluding obligating agreements, thus facilitating early conclusion of program and project agreements upon completion country program authorizations fund allotments by FOA. Mission chiefs will assure, however, that negotiations do not involve commitments formal or moral, with host governments as to specific composition

CONFIDENTIAL

SECURITY INFORMATION

or size of 54 program prior to approval Director FOA and allocation of funds.

TCA/W will expedite processing country program authorizations to permit early implementation. Essential 54 programs implemented expeditiously. Experience to date, has shown delays getting programs under way hamper achievement US objectives.

Airgram giving instructions for submission FY 54 programs for purpose country program authorizations and FY 54 budget requests sent August 18. Instructions follow general lines FY 54 submission with addition of certain comparative fiscal and statistical information required for support of FY 55 budget estimates to BOB.

Airgram provides submission FY 54 program and FY 55 projection accordance following outline:

Country Program.

I. Resources and Needs.

II. General Situation.

III. Country Program.

A. FY 1954.

1. General plans and objectives.

2. Chronology of agreements.

3. Financing and organiation.

4. Functional program summaries.

B. FY 1955 - Functional Program annual plans of work FY 54 and FY 55.

Above material due FOA/W as follows:

Country Program. Parts I, II - September 30, 1953.

Part III A - cable summary September 9, '53
Documentation September 15.

PART III B - September 30, 1953.

Functional program annual plans of work -

October 31, 1953.

Essential you initiate immediately work on part III A - Country Program FY 1954. Item 1 required carefully reasoned rationals of program for country, indicating contribution of elements of program to economic development, plan for incorporation of activities into structure of country and objectives in as concrete terms as possible. Item 4 calls for field of activity objectives, description problems and program by principal sub-activity.

STASSEN

Copies given to all chiefs.

TCA Budget

SECURITY INFORMATION

TELEGRAM RECEIVED

270700Z

FROM: SECSTATE WASHINGTON Date: August 26, 1953

No: Circular TECTO 39

CODE: CONFIDENTIAL Received: August 27, 1953 4:30 PM

Calcutta pass Katmandu.

Level of aid proposed for FY 1955 budget estimates.

I. In submitting proposals for technical cooperation and special economic aid programs in FY 1955 you should be guided by following general policies (See also TECTO Circular A-23 dated August 18 to NEADS, TECTO Circular A-25 dated August 20 to ADS, and memo DTC 206 dated August 14 to IIAA countries):

A. Technical cooperation programs.

1. You have already been cabled tentative FY 1954 country program figures authorized discussion with local government officials and development current operating programs. FY 1955 programs should be submitted on a "requirements" basis but bearing in mind the President's desire to reduce expenses and balance the US budget. You should, therefore, assume that FY 1955 program your country will be no greater magnitude than the FY 1954 "planning" figure and that so far as appropriate it will actually reflect some reduction in total. In particular, individual sub-activities should ordinarily show definite decline as progress of operation begins achieve program objectives.

2. You may, however, submit separate recommendations for augmented FY 1955 programs when considered required by situation and US policy interests. In all such cases particularly full justification must be provided - - both in terms of US policy consideration and of specific need for particular increase in activity proposed.

B. Special Economic Aid

1. For India and Pakistan you should assume new appropriations will be requested through FY 1956 continuing present magnitude aid. Any larger figure should be presented as separate and supplementary proposal and only to extent supported by powerfully compelling justification. You are asked particularly consider possibility of making greater use ofloans to accomplish purposes for which special economic aid sought and to comment in detail on such possibilities.

CONFIDENTIAL

SECURITY INFORMATION

For Near East countries not yet possible indicate country planning figures of special economic aid for FY 1954. Separate FY 1954 instructions will be transmitted as soon as Washington decisions can be made. Appears probable that total propose for FY 1955 should not exceed $135 million appropriated for current year; but whether in fact considerably larger or smaller figure will eventually be proposed to Congress must depend lrge part on successful utilization of present funds to achieve stated technical/economic objectives for Near East area as whole.

II. In all FY 1954 and FY 1955 program planning emphasized that you should particularly seek to make appropriate use of surpluse agricultural commodities under Section 550 of Mutual Security Act as already directed in above reference communications. In the case of India, however, special care should be taken to comply with the cautions of the reference airgram.

STASSEN

ga
Distribution:

3-TCA - Action ✓
1-Jones
1-Smith
1-McCullars
1-File

Budget: File 2
Work Plan
1954.

American Embassy
Jidda, Saudi Arabia

MEMORANDUM August 29, 1953

TO: Mr. John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia

FROM: William J. Edens
Chief, Agriculture Division

SUBJECT: Revision of FY 1954 Agriculture Division Budget in Relation to Increased Fund Authorization by TCA/W for Planning FY 1954 Program as Requested. (This revision is based on a proportionate extension of allocations by TCA/W to the separate mission's technical divisions for this fiscal year - 1954.)

Proposed Projects for FY 1954 and their Estimated Costs to TCA. (Estimate includes equipment and supplies, but vehicle and technician costs are not included.)

No. 1 - Livestock Demonstration Farm - - - - - - - - - - - - - - - $40,000

The SAG Department of Agriculture desires to establish a livestock demonstration farm at Kilo 10 on the Mecca road for the purpose of introducing more desirable breeds, and to establish herds of these breeds so that their offspring can be supplied to farmers at a reasonable cost. This project will require considerable number of buildings, sheds, land, fences, feed and operation personnel. It is proposed that the Saudis furnish these. A TCA technician will be available to help design and plan the physical layout as well as give other technical assistance as needed in the conduct of the farm.

The TCA Agriculture Division feels that it should be in a position to contribute up to $40,000, if necessary, toward providing improved breeding stock which will include sheep, goats, poultry and a limited number of milk cows.

No. 2 - Establishment of Range Demonstration Plots in Three Grazing Areas of Saudi Arabia (@ $4,100 each) - - $12,300

The purpose of this project is to investigate ways and means of improving and conserving range

forage crops for livestock. Plots of land will be selected in important grazing areas where conditions can be controlled relative to the amount of grazing, seeding native grasses, and introducing new grasses that have been grown successfully under similar or arid conditions.

No. 3 - Demonstrate Improved Land Drainage and Assist in Establishing a Better Drainage System for the Al Hasa Oasis (Hofuf) - $30,000

The objective of this project is to demonstrate improved drainage practices, and thereby (1) increase crop production, (2) reclaim high-salt-content soils, and (3) lower the oasis water table via more adequate drainage canals which will permit the production of fruits and vegetables that now cannot be produced. Soil surveys, water studies, topographical and layout mapping and other technical assistance will be required. Equipment for dealing with drainage problems will be needed for demonstration purposes.

The Al Hasa Oasis consists of approximately 48 villages and hamlets laid out in an L-shaped pattern having a total length of about 26 miles. Population of the oasis is estimated at 158,000. Hofuf is the main village, with a population of approximately 60,000. Dates are grown extensively in the oasis. Some vegetables are grown, and a poor grade of rice is produced on some farms. The oasis is noted for its abundant water supply from natural springs and artesian wells. And it is recognized that this abundant water supply can, via better drainage, be used more efficiently to increase food production.

No. 4 - Demonstration of Improved Land Drainage in the Qatif-Dammam Area - $20,000

The purpose of this project is the same as given for Project No. 3 (Al Hasa Oasis).

The Qatif-Dammam area has a population estimated at 75,000. The water supply comes from natural springs and artesian wells, and is fairly abundant. Dates constitute the principal crop. Some vegetables are grown, but all crops suffer extensively from the high salt content of the soil which can be diminished by improved drainage. This area is located close to Al Khobar and Dhahran, thereby having a good market for any surplus production.

No. 5 - Establish a Crop Demonstration Farm in the Wadi Khulais Area - $ 7,850

The objective of this project is to improve crop production by determining (1) the more desirable varieties of food and forage crops adapted to the area, (2) methods by which they can best be produced, and (3) ways and means of more effective insect and disease control. The farm will be used for instructing agricultural extension leaders and local farmers in an improved crop production program for the entire area.

No. 6 - Establish a Crop Demonstration Farm near Hofuf - - - - $ 7,850

(Objective the same as for No. 5.)

No. 7 - Establish a Crop Demonstration Farm in the Qatif-Dammam Area - $ 7,850

(Objective the same as for Project No. 5.)

No. 8 - Distribution of Purebred Sires (4 communities)- - - - $17,400

The purpose of this project is to demonstrate that the quality of grade livestock can be improved by using purebred sires from proven herds of sheep, goats, and dairy cows. This work would supplement the work carried on at the Livestock Demonstration Farm (Kilo 10), and help introduce improved breeding methods more quickly throughout the country.

Personnel

Edens - Division Chief	$20,000
Moon - Extension (Khulais)	$20,000
Parker - Animal Hus. (All Projects)	$20,000
Nixon - Date Specialist (Date Project)	$15,000
Schwan - Range Mgt. (All Projects)	$20,000
Stewart - Extension (El Darb)	$20,000
Barham - Extension (Hofuf)	$20,000
Gibbs - Soils (All Projects)	$20,000
------ - Agronomist (All Projects)	$16,000
------ - Engineer: Irrigation, dam, water spreading	$16,000
------ - Extension (Qatif-Dammam)	$16,000

Note: Personnel for El Darb project is included

TOTAL (Personnel) $203,000

Travel

Saudi Arabia	Per diem	Transportation	Total
1 Chief - 60 days @ $12	$ 720	$ 500	$ 1,220
1 Date Specialist - 180 days @ $15	2,700	200	2,900
4 Agr'l Extension - 125 days @ $12	1,500	400	1,900
5 Agr. Specialist - 900 days @ $12	10,800	1,500	12,300
Middle East			
3 round trips, Beirut	400	500	900
3 round trips, Cairo	400	500	900
United States			
1 round trip - 30 days	300	1,500	1,800
Totals	$16,820	$5,100	$21,920

Vehicles

Station	Type Needed	Type of Work	Assigned to	Approximate Cost for FY 1954
Jidda	Jeep Station Wagon	Adm & Field	Edens	On hand
Jidda	" " "	Field	Parker	Ordered
Jidda	" " "	Field	Schwan	Ordered
Jidda	Power Wagon	Field	Schwan	On hand
Jidda	Jeep Station Wagon	Field	Gibbs	$2,500
El Darb	Jeep Station Wagon	Field	Stewart	Ordered
El Darb	Power Wagon	Field	Stewart	Ordered
Khulais	Jeep Station Wagon	Field	Moon	Ordered
Khulais	Power Wagon	Field	Moon	$3,000
Hofuf	Jeep Station Wagon	Field	Barham	$2,500
Hofuf	Power Wagon	Field	Barham	$3,000
Qatif-D.	Jeep Station Wagon	Field	Agr. Ext.	On hand
Qatif-D.	Power Wagon	Field	Agr. Ext.	On hand
Spare parts - - - - - - - - - -				$5,000
			Total	$16,000

Training Awards

8 @ $4,000 - $32,000

Local Employees

2 @ $2,500 - $5,000

Summary

Project No. 1 -	$ 40,000
Project No. 2 -	12,300
Project No. 3 -	30,000
Project No. 4 -	20,000
Project No. 5 -	7,850
Project No. 6 -	7,850
Project No. 7 -	7,850
Project No. 8 -	17,400
(Total Projects ~~$143,850~~ 143,250)	
Personnel -	203,000
Travel -	21,920
Vehicles -	16,000
Training Awards -	32,000
Local Employees -	5,000
Grand Total	$421,170

WJEdens/djh

Budget File 1

Jidda, Saudi Arabia

RESTRICTED

MEMORANDUM September 2, 1953

TO: John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia

FROM: W. J. Edens, Chief, Agriculture Division

SUBJECT: Revision of FY-1954 Agriculture Division Budget submitted August 29, 1953, in the amount of $421,170

Upon your request to revise downward the FY-1954 Agriculture Division budget request to bring it more in line with what you think its budget position should be in relation to other Mission division budgets, the following projects and items have been reduced or deleted.

1. Project No. 1. Livestock Improvement Farm - from $40,000 to $30,000.

2. Project No. 4. Demonstration of Improved Land Drainage in the Qatif-Dammam area ($20,000) - deleted.

3. Project No. 5. Establish a crop experimental plot in Wadi Khulais ($7,850) - deleted.

4. Project No. 7. Establish a crop experimental plot in the Qatif-Dammam area ($7,850) - deleted.

5. Extension specialist for the Qatif-Dammam area ($16,000) - deleted.

6. Travel, from $21,920 to $20,120.

7. Vehicles - from $16,000 to $12,300.

8. Training awards - ~~from $32,000 to $24,000~~. to Be Included in Mission Lump Sum. w/E

It will be noted that three of the original eight proposed projects have been eliminated. The amount for local employees has been increased from $5,000 to $8,000.

The revised budget follows:

PROJECTS

Proposed projects for FY-1954 and their estimated costs to TCA (Estimates include equipment and supplies, but vehicle and technician costs are not included)

RESTRICTED

No. 1 - Livestock Improvement Farm $30,000

The SAG Department of Agriculture desires to establish a livestock improvement farm at Kilo 10 on the Mecca road for the purpose of introducing more desirable breeds, and to establish herds of these breeds so that their offspring can be supplied to farmers at a reasonable cost. This project will require a considerable number of buildings, sheds, land, fences, feed and operation personnel. It is proposed that the Saudis furnish these. A TCA technician will be available to help design and plan the physical layout as well as give other technical assistance as needed in the conduct of the farm.

The TCA Agriculture Division feels that it should be in a position to contribute up to $30,000, if necessary, toward providing improved breeding stock which will include sheep, goats, poultry and a limited number of milk cows.

No. 2 - Establishment of Range Demonstration Plots in Three Grazing Areas of Saudi Arabia (@ $4,100 each) $12,300

The purpose of this project is to investigate ways and means of improving and conserving range forage crops for livestock. Plots of land will be selected in important grazing areas where conditions can be controlled relative to the amount of grazing, seeding native grasses, and introducing new grasses that have been grown successfully under similar or arid conditions.

No. 3 - Demonstrate Improved Land Drainage and Assist in Establishing a Better Drainage System for the Al Hasa Oasis (Hofuf) $30,000

The objective of this project is to demonstrate improved drainage practices, and thereby (1) increase crop production, (2) reclaim high-salt-content soils, and (3) lower the oasis water table via more adequate drainage canals which will permit the production of fruits and vegetables that now cannot be produced. Soil surveys, water studies, topographical and layout mapping and other technical assistance will be required. Equipment for dealing with drainage problems will be needed for demonstration purposes.

The Al Hasa Oasis consists of approximately 48 villages and hamlets laid out in an L-shaped pattern

having a total length of about 26 miles. Population of the oasis is estimated at 158,000. Hofuf is the main village, with a population of approximately 60,000. Dates are grown extensively in the oasis. Some vegetables are grown, and a poor grade of rice is produced on some farms. The oasis is noted for its abundant water supply from natural springs and artesian wells. And it is recognized that this abundant water supply can, via better drainage, be used more efficiently to increase food production.

No. 4 - Establish a Crop Experimental Plot near Hofuf . . . . . $ 7,850

The objective of this project is to improve crop production by determining (1) the more desirable varieties of food and forage crops adapted to the area, (2) methods by which they can best be produced, and (3) ways and means of more effective insect and disease control. The farm will be used for instructing agricultural extension leaders and local farmers in an improved crop production program for the entire area.

No. 5 - Distribution of Purebred Sires (4 communities) . . . . . ~~$17,400~~ 12,430

The purpose of this project is to demonstrate that the quality of grade livestock can be improved by using purebred sires from proven herds of sheep, goats, and dairy cows. This work would supplement the work carried on at the Livestock Improvement Farm (Kilo 10), and help introduce improved breeding methods more quickly throughout the country.

Personnel

Edens	- Division Chief	$20,000
Moon	- Extension (Khulais)	$20,000
Parker	- Animal Hus. (All Projects)	$20,000
Nixon	- Date Specialist (Date Project)	$15,000
Schwan	- Range Mgt. (All Projects)	$20,000
Stewart	- Extension (El Darb)	$20,000
Barham	- Extension (Hofuf)	$20,000
Gibbs	- Soils (All Projects)	$20,000
-----	- Agronomist (All Projects)	$16,000
-----	- Engineer: Irrigation, dam, water spreading	$16,000

Note: Personnel for El Darb project is included

TOTAL (Personnel) $187,000

Travel

Saudi Arabia	Per Diem	Transportation	Total
1 Chief - 60 days @ $12	$ 720	$ 500	$ 1,220
1 Date Specialist - 180 days @ $15	2,700	200	2,900
4 Agr'l Extension - 125 days @ $12	1,500	400	1,900
5 Agr. Specialist - 900 days @ $12	10,800	1,500	12,300
Middle East			
3 round trips, Beirut	400	500	900
3 round trips, Cairo	400	500	900
Totals	$16,520	$3,600	$20,120

Vehicles and Camp Equipment

Station	Type Needed	Type of Work	Assigned to	Approximate Cost for FY 1954
Jidda	Jeep Station Wagon	Adm & Field	Edens	On hand
Jidda	" " "	Field	Parker	Ordered
Jidda	" " "	Field	Schwan	Ordered
Jidda	Power Wagon	Field	Schwan	On hand
Jidda	Jeep Station Wagon	Field	Gibbs	$2,500
El Darb	Jeep Station Wagon	Field	Stewart	Ordered
El Darb	Power Wagon	Field	Stewart	Ordered
Khulais	Jeep Station Wagon	Field	Moon	Ordered
Khulais	Power Wagon	Field	Moon	$3,000
Hofuf	Jeep Station Wagon	Field	Barham	On hand
Hofuf	Power Wagon	Field	Barham	On hand
Camp equipment				$1,800
Spare parts				$5,000
			Total	$12,300

Training Awards

~~6 @ $4,000~~ . . . . . to be included in Mission Lump Sum . ~~$24,000~~

Local Employees

2 or 3 . . . . . $ 8,000

Summary

Project No. 1	$30,000
Project No. 2	12,300
Project No. 3	30,000
Project No. 4	7,850
Project No. 5 $9,580	~~17,100~~ 12430
(Total Projects - ~~$97,550~~)	
Personnel	187,000
Travel	20,120
Vehicles and Camp Equipment	12,300
~~Training Awards~~ Mission Fund Sum	~~21,000~~
Local Employees	8,000
Grand Total	~~$318,970~~ $320,000

WJEdens:o

Budget

Jidda, Saudi Arabia
September 2, 1953

Dear Mr. Dunaway:

After learning in the meeting this morning and subsequently through my discussion with you that the operating budget of the Mission should be based upon the January FY 54 budget request, I am revising my previous estimates accordingly. Unfortunately the January budget estimates for education, which I have never seen, were not determined upon any forcasted program of action; in fact, the education agreement had not been signed. The use of this arbitrary figure as a basis for control of budgetary needs in education as the program is now projected imposes a relatively inadequate formula to follow.

Therefore, in addition to the following budget prepared in accordance with your instructions, I have prepared an additional budgetary estimate based upon requested projects that can be considered as basically sound and desirable in coverage and spread. These projects have received advance consideration by all parties concerned during the past six months. In most instances projects have been written in preliminary form and in others considerable effort has gone into planning. It is highly probable that these projects that cannot be considered within the limitation of the budgeting formula are farther reaching and more significant in future educational development than the present approved and important Commercial School project. Their inclusion in the FY 54 budget, if at all possible, is strongly recommended.

Educational FY 54 Budget Summary

1.	Technicians - 4	$74,000	
2.	Training Awards - 8	28,000	
3.	Local Employees - 3	8,946	
4.	Secretarial Asst. - 1	7,500	
5.	Travel	3,000	
6.	Projects	58,000	
7.	Instructional and Library Materials	1,500	
8.	Visual Aids, Supplies and Equipment	6,500	
	Total		$187,446

Budget Detail

Mr. John A. Dunaway, Acting U.S. Director
of Technical Cooperation in Saudi Arabia,
American Embassy,
Jidda, Saudi Arabia.

Budget Detail

1. Technicians		
Chief of Division	$20,000	
Commercial Education Specialist	18,000	
Vocational Education Specialist	18,000	
Adult and General Education Specialist	18,000	
Total		$74,000
2. Training Awards		
Eight (8) at an average cost of $3500 each		
Total		$28,000
3. Local Employees		
Visual Aids and Equipment Operator	$3,000	
Translator and Interpreter	2,500	
Scholarship Assistant and Instructional Material	3,000	
Parttime Extension Instructor	446	
Total		$8,946
4. Secretarial Assistant		
One full time Secretary	$7,500	$7,500
5. Travel		
Country Travel Technicians - 300 days	$3,000	
Total		$3,000
6. Projects		
Commercial School	$58,000	
Total		$58,000
7. Instructional and Library Materials		
Sample Instructional Text and Work Books General and Technical	$1,000	
Professional Reference Library Material Recommended through U.S. Office of Education	500	
Total		$1,500
8. Visual Aids, Supplies and Equipment		
16 mm film - purchase and rental	$5,000	
16 mm film undeveloped	300	
Strip film developed and undeveloped	600	
Slides and opaque diagrams	100	
Equipment	300	
Supplies	200	
Total		$6,500

Considerations

Item 1*

The first three technicians were approved and funds obligated from FY 54 funds. Form TCA 17 requesting the fourth technician listed was approved and submitted to the TCA/W office in April. This combination specialist is needed in development of evening adult classes in the industrial, commercial and secondary schools and to give technical advice and assistance to officials regarding day schools.

Item 2

The general average of training awards during the past fiscal year was approximately $3300 for straight Type C training grants. The figure used in this estimate, $3500, is considered accurate on the basis of previous experience.

Item 3

A local employee will be required in order to operate the projection machines now on hand, keep them in repair, handle films and otherwise assure the full use and safekeeping of the specialized property and equipment now ready for service with the educational program. The employee will not only be required to maintain a day work schedule, but a night and road program as well.

A translator and interpreter is essential to the full use of visual aids currently available to a major degree only in English. The translation of scholarship documents for nearly double the last year's quota, in addition to other instruction translations for the increased number of technicians soon to arrive in the field, makes this position an urgent necessity.

The responsibility for the preparation and submission of all applications for training grants for the entire Mission is assigned to the Education Division. The preparation of these applications entails extensive accumulation of documentary and validating material as well as

numerous

* The specified figure by which this budget estimate is limited should be increased $56,000 because these three specialists were recruited from funds allocated and obligated from the FY 53 budget by the Washington office as per telegraphic instruction and advice during the month of April. Activity Authorization 4, Amendment No. 2, signed by Mr. Olson May 8, 1953.

numerous discussions with the applicants. With the general increase in educational activity, along with a major increase in the trainee quota, it is necessary to have capable local assistance in the assemblage of materials and the processing of applicants, formerly handled almost exclusively by the Chief of the division. A person versed in training activity and capable of expeditious discussion with the applicants is important in this position. Such a person is now available in our former Assistant Director of the Commercial School who has just completed his contract with TCA and who cannot be employed by the School Commission until the project agreement is signed. This cannot be done until the Minister of Interior returns from France during the month of October. By the employment of this particular person, it would be possible for him to open the school for operation on schedule and carry on until such time as the project can be signed as well as assist at the moment with trainee applicants.

The modest figure for parttime extension instructors is set here to defray the cost of Arabic instruction in response to the constant requests of members of the TCA Mission and SAG officials for such instruction.

Item 4

It is no longer possible with the ever-increasing volume of service in the Education Division to maintain any semblance of office organization and confer with trainees, officials and others and at the same time keep abreast of productive official requirements in the preparation of training plans for scholarship applicants, projects, requests for program development, recommendations to Government agencies and school officials. Proper filing and storage of paper and necessary reference material, much less other normal detail requirements, has gone beyond the capacity of the single member of this division to accomplish alone. The situation has reached a point where secretarial assistance will have to be provided or the office opened for conferences only a day or two a week. Written production otherwise is impossible.

Item 7

These materials and aids are recommended through TCA/W and the Office of Education. They are considered a must here where there is no material of this kind in use, much less available.

Item 8

All visual aid equipment necessary to implement a modest beginning in this area of educational activity is on hand. Film necessary to implement use of the equipment is covered in this item. Both the Crown Prince and Minister of Finance have favorably endorsed the showing of technical and professional films.

Additional Budgetary Estimates

RWhallgrips 9/2/53

Additional Budgetary Estimates

Project 3	Aircraft Mechanics Training	$18,000
	Technicians 2	34,000
Project 4	Industrial School Development	30,000
	Technicians 2	32,000
Project 5	Railroad Training	10,000
	Technicians 1	18,000
Project 6	School Development Planning	9,000
	Technicians 2	38,000
Project 7	Teacher Training	1,500
		$190,500

The local contribution to these projects will in all instances equal the figure shown here, and in some instances probably exceed many times over these amounts. The figures shown represent the extreme minimum considered necessary to activate the projects. It is hoped some consideration may be given in the FY 54 budget to these important areas of development.

Sincerely,

Robert D. Dolley, Chief,
Education Division

RDDolley:pm 9/2/53

File 1
Budget

American Embassy
Jidda, Saudi Arabia

September 8, 1953

Dear Mr. Dunaway:

In accordance with your advice of the sixth, I am reducing the budget figure formerly assigned by $10,000 and revising the budget for Education to coincide with this amount.

Educational FY 54 Budget Summary

1.	Technicians - 6	$93,000	
2.	Local Employees - 3	8,946	
3.	Secretarial Asst.	7,500	
4.	Travel	3,000	
5.	Projects	79,000	
6.	Instructional and Library Materials	1,500	
7.	Visual Aids, Supplies and Equipment	7,054	
	Total		$200,000

Budget Detail

1.	Technicians		
	Chief of Division	$20,000	
	Commercial Education Specialist	18,000	
	Vocational Education Specialist	18,000	
	Adult and General Education Specialist	18,000	
	School Planning Specialist	9,500	
	School Architect	9,500	$ 93,000
2.	Local Employees		
	Visual Aids and Equipment Operator	$ 3,000	
	Translator and Interpreter	2,500	
	Scholarship Assistant and Instructional Material	3,000	
	Part-time Extension Instructor	446	
	Total		$ 8,946

Mr. John A. Dunaway, Acting U. S. Director
of Technical Cooperation in Saudi Arabia,
American Embassy,
Jidda, Saudi Arabia

3. Secretarial Assistant			
One fulltime secretary		$ 7,500	
	Total		$ 7,500
4. Travel			
Country Travel Technicians - 300 days		$ 3,000	
	Total		$ 3,000
5. Projects			
Commercial School		$58,000	
Railroad Training		12,000	
School Development Planning		9,000	
	Total		79,000
6. Instructional and Library Materials			
Sample Instructional Text and Work Books			
General and Technical		$ 1,000	
Professional Reference Library Material			
Recommended through U.S. Office of Education		500	
	Total		$ 1,500
7. Visual Aids, Supplies and Equipment			
16 mm film - purchase and equipment		$ 5,554	
16 mm film undeveloped		300	
Strip film developed and undeveloped		600	
Slides and opaque diagrams		100	
Equipment		300	
Supplies		200	
	Total		$ 7,054

The considerations upon which these estimates are determined are the same as those enumerated in the previous September 2 estimates.

Projects for which funds are not available within the fund limitation of $200,000 are listed as follows:

Additional Funds Required

Project 3 Aircraft Mechanics Training	$14,000	
Technicians 2	17,000	
Project 4 Industrial School Development	30,000	
Technicians 2	16,000	
Project 5 Railroad Training	10,000	
Technician 1	9,000	
Project 7 Teacher Training	1,500	
Total		$97,500

The difference in the estimates for technicians in this resume and the previous September 2 detail is due to allowance for time elapse necessary for recruitment during the current fiscal year. It is felt that additional operating funds due to unavoidable delay in the activation of these projects should it be possible to provide for them will not be necessary to carry them through 1955 fiscal year and that by applying a similar amount to cost of technicians, they can be carried through the ensuing year without materially increasing the total budget over the aggregate figure set here for these projects. It is also highly possible that the figure set aside for teacher training will not be required beyond this year. It is hoped that if there is any way in which these projects can be considered in this budget, they will be included, particularly the first two which are extremely significant for Saudi Arabia.

Sincerely,

Robert D. Dolley, Chief,
Education Division

RDDolley:o

Budget
File 1

Proposed 1954 FY Budget - Natural Resources Division

2 September 1953

Present Staff

1	Pt 4-3	Chief, Division	$ 16,308		
3	TCA-3	Geologists	42,896		
1	TCA-3	Hydraulic Engineer	13,652	$ 72,856	
		U. S. travel	18,000		
		Local travel	17,000		
		Transportation of effects	10,000		
		Supplies and equipment	160,000	205,000	
		Total for Present Staff		$277,856	$277,856

Additional Staff Required

1	TCA-?	Administrative Asst.	10,880		
1	TCA-3	Chemist	15,592		
2	TCA-3	Sub-surface Geologist	31,184		
1	TCA-?	Radio Operator/Technician	10,880	$ 68,536	
		U. S. travel	18,000		
		Local travel	11,900		
		Transportation of effects	10,000	39,900	
		Total for Additional Staff		$108,436	$108,436

Local Employees

1	Draftsman	3,300		
6	Mechanic-Drivers	6,612	$ 9,912	9,912
		GRAND TOTAL		$396,204

September 2, 1953

For attachment to 1954 Budget - Natural Resources Division

Justification for additional personnel this fiscal year (not including the expanded drilling program).

Justification remains essentially the same as given with the budget submitted 11 April 1953, with some modifications made in the light of later developments. A drilling program financed by SAG is now beginning to operate effectively. This means many more holes, several thousand more samples of lithologic units and water. The time has come when one man cannot make water analyses, study drill cuttings and recommend casing and well screen positions and sizes. Our drilling operations are extended over something like 100,000 square miles so that it is almost impossible to keep up with the field activities without radios. Seven radios have been received, on loan from the Navy Department, and will be put into operation as fast as possible. Their worth was amply demonstrated earlier this summer when communications were maintained daily between Jidda and Gizan during the floods there.

An administrative assistant is needed to handle the increased red tape, increased number of requests, purchases, time records and other administrative details so that technical personnel may be free to devote full time to the technical problems.

A chemist will be required full time just to analyze the accumulated backlog of water samples and keep up with the increasing number of these samples being brought in.

Two additional geologists are needed to handle the increased field work and the analyses mentioned above. Up to now it has been necessary to utilize the two hard rock geologists quite a bit on ground water studies, but these men should be free to devote full time to minerals surveys.

The radio operator is needed to install and service the radios in order to obtain maximum benefit therefrom. The two units used this summer were put into operation and maintained by a combination of skills borrowed from Saudi Air Lines, Jidda Electric Co. and Michael Baker Co., all of whom donated their time or carried on this work in addition to their regular duties. It cannot be expected, however, that all of the units can be maintained in the same manner.

Of the local employees, the draftsman has been on the payroll during the past fiscal year. It is anticipated that there will be still more work for him in the year ahead.

File 1
2
Chron.

For attachment to 1954 Budget - Natural Resources Division (cont.)

The drivers and mechanics have in the past been provided by SAG, but there have been continuing difficulties because of our lack of control. We have lost the services of several good men either because some SAG official needed them or because of difficulties over money or food allowances for field trips which we felt could have been avoided if they were being paid by us. There have also been numerous delays in starting field trips because vehicles were not properly serviced or because drivers were not available at the time required.

Donald F. Dougherty
Acting Chief, Natural
Resources Division

DFDougherty:o

Budget

File 1
2
Chron.

Jidda, Saudi Arabia

MEMORANDUM

September 6, 1953

TO: John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia

FROM: Donald F. Dougherty, Acting Chief, Natural Resources Division

SUBJECT: FY 1954 Budget

I have reduced the budget request for the Natural Resources Division, as you directed, from $396,204 to $320,000. Since recruitment of some of the additional personnel has already been initiated in Washington, I have temporarily taken the entire reduction from the item, "Supplies and Equipment".

I must, however, very emphatically request that the entire amount of this reduction be restored for the following reasons:

1. The figure of $396,000 (approximately) is in line with the budget proposed in January of this year. At that time Natural Resources was allotted $407,000 in a total budget of $1,566,000 (not including program direction) submitted by TCA/Jidda. On a pro rata basis Natural Resources should have approximately $395,000 out of the tentative planning figure of $1,483,000 furnished by TCA/W for FY 1954.

2. It can only be assumed that the drastic cut proposed for Natural Resources is being made so that the allotment for one or more other Divisions may be increased. The propriety of sizeable increases for most other Divisions is questionable. With 20% of the fiscal year already gone, it is difficult to understand how any Division will require an increase over the estimate of January unless new projects have been added since that estimate was submitted. Only one such case is known and that will account for only a small portion of the reduction in Natural Resources, even if one were to admit that it should all be taken from Natural Resources.

3. The estimate of $396,000 was based on a backlog of work which already exists in this Division plus a projection of the present program at about the same rate as for the past year, not on something proposed for sometime in the future. It is not

necessary

necessary to point out, I am sure, that this is work in which SAG is vitally interested and also almost entirely work which they themselves have requested. In fact, they have already requested a greatly expanded program which is not provided for in this estimate.

4. It was suggested some time ago that the expanded program be included as part of a special request for funds under the Economic Assistance program. Now that same line of reasoning is used to reduce this budget request. While that argument was accepted as it applied to the expanded program, it is not valid as applied to the present estimate because this covers work already in progress. In any event, there is no assurance at this time either that the expanded program will be approved or that it will be carried out by this Division if and when approved.

In addition to the above, it is interesting to note that my figure of $396,000 agrees very closely with that of $400,000 mentioned in the cable from Mr. Stassen, received yesterday.

I should like to mention, too, that it seems strange the Country Director, who approved the estimate of Natural Resources in each of several recent meetings on the budget and strongly disapproved of some others as being too high, now reverses the field completely and reduces Natural Resources in order to increase the others.

If anything further is needed (and because I think this has been played down considerably in the past), I would like to recite <u>some</u> of the accomplishments of Natural Resources:

1. Aerial photographic maps covering approximately 45,000 square miles of Saudi Arabia.

2. Detailed geologic survey for most of above area.

3. Supplemental water supply for Riyadh of 2,500,000 gallons per day.

4. New water supply for Gizan of 250,000 gallons per day.

5. Preliminary survey and recommendation for surface storage reservoir at Abha.

6. Recommendation for development of port of Gizan (though somewhat out of our field).

7. Discovery of large iron deposit.

8. Numerous small water supplies including: Muweigh, Afif, Um Lej, Taif, Wejh, Wadi Khulais.

OZD

DFDougherty:o

Mr. Betzig

CONFIDENTIAL

American Embassy
Jidda, Saudi Arabia

MEMORANDUM

August 22, 1953

TO: Chiefs of Divisions and Assistant Program Officer
TCA/Saudi Arabia

FROM: John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia

SUBJECT: Meeting of Division Chiefs to discuss telegram TECTO 60

There will be a meeting of division chiefs at 8:00 A.M., Monday, August 24, 1953.

Encl - TECTO 60
(This should be returned to the files for safekeeping.)

CONFIDENTIAL

JADunaway
EFSinclair/djh

CONFIDENTIAL

Security Information

COPY
INCOMING TELEGRAM

192337Z
Date: August 19, 1953
Control: TECTO 60
Recd: August 20, 1953
1:15 PM

FROM: SECSTATE WASHINGTON

FY 54 funds.

Mutual Security Appropriation ACT, provides $33.8 million technical assistance program funds NEADS (exclusive program direction) against budget request $43.8 million. You authorized plan FY 1954 program $1,483,000 exclusive administration expenses paid from Title I but including: (1) careful estimate amount required for US technicians salaries and allowances, trainee grants, and other costs paid directly by US and not specified in program or project agreements. (2) careful estimate of amount you propose be contributed to joint or other operation funds specifically indicated in program or project agreements. Domestic program cost item $17,000 included "Blue Book" presentation being handled Washington not included above. Advice on administrative expenses (formerly program direction) will follow. Separate allotments administration and program funds required because of rearrangement appropriation structure this year.

You may discuss FY 1954 program with~~out~~ country within fund limitations and commence preliminary negotiations aimed toward concluding obligating agreements, thus facilitating early conclusion of program and project agreements upon completion country program authorizations fund allotments by FOA. Mission chiefs will assure, however, that negotiations do not involve commitments formal or moral, with host governments as to specific composition

CONFIDENTIAL

Security Information

or size of 54 program prior to approval Director FOA and allocation of funds. TCA/W will expedite processing country program authorizations to permit early implementation. Essential 54 programs implemented expeditiously. Experience to date, has shown delays getting programs under way hamper achievement US objectives.

Airgram giving instructions for submission FY 54 programs for purpose country program authorizations and FY 54 budget requests sent August 18. Instructions follow general lines FY 54 submission with addition of certain comparative fiscal and statistical information required for support of FY 55 budget estimates to BOB.

Airgram provides submission FY 54 program and FY 55 projection accordance following outline:

Country program.

I. Resources and Needs.

II. General Situation.

III. Country Program.

A. FY1954.

1. General plans and objectives.

2. Chronology of agreements.

3. Financing and organization.

4. Functional program summaries.

B. FY 1955 - Functional program annual plans of work FY 54 and FY 55.

Above material due FOA/W as follows:

Country Program. Parts I, II - September 30, 1953.

Part III A - cable summary September 9, '53

Documentation September 15.

Part III B - September 30, 1953.

Functional program annual plans of work -

October 31, 1953.

Essential you initiate immediately work on part III A - Country Program FY 1954. Item 1 required carefully reasoned rationale of program for country, indicating contribution of elements of program to economic development, plan for incorporation of activities into structure of country and objectives in as concrete terms as possible. Item 4 calls for field of activity objectives, description problems and program by principal subactivity.

STASSEN

GA

Distribution:
1-TCA-Action
1-Jones
1-File

Budget

RESTRICTED

172150Z
Date: August 17, 1953
Control: Prity TECTO 55
Reced. August 18, 1953
11:30 AM

FROM: SECSTATE WASHINGTON

NOSEC

Reference TOTEC 79.

Full report trainees in process.

Allocation funds TCA program for August expected August 17.

Will advise soonest SAG portion that allocation.

STASSEN

File 2
Budget

American Embassy
Jidda, Saudi Arabia

MEMORANDUM July 1, 1953

TO: Mr. John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia

FROM: W. J. Edens, Chief, Agriculture Division

SUBJECT: Expenditure and diversion of funds allocated to the Agriculture Division

The Saudi Arabian Country Program Authorization No. 3470 for FY-53 allocated to the Agriculture Division for Program Activity the sum of $113,000. The breakdown on this amount was as follows:

Technicians	$63,000
Training Awards	12,000
Supplies and Equipment	20,000
Field Costs	18,000

As Chief of the Agriculture Division, I have been at this post since October 8, 1952. During this intervening time, I have never been consulted concerning the expenditure or transfer of funds allocated to my division. When I did raise questions relative to use and status of Agriculture Division funds, I was told by you and the Executive Officer that all mission funds had been placed in one "pot", and all mission expenses were being met from this consolidated fund.

Understanding some of the mission's current problems, I raised no particular objections to this procedure since technicians were not arriving and field work during FY-53 would be very small. However, I do object to Agriculture Division funds for FY-54 being considered, and used, as part of a general mission fund. I realize it is the perogative of the Country Director to determine for what and where all mission funds may be used, but I do not consider it his perogative to expend or transfer funds from a mission division without first consulting the chief of that division.

In view of the 1954 fiscal year just beginning, I am respectfully requesting the following:

1. That the Agriculture Division be furnished with its

respective 1954 budget allotment when it has been determined.

2. That funds not be transferred from the Agriculture Division budget without consultation first with the chief of said division.

3. That the appropriate mission fiscal officer furnish the Chief, Agriculture Division, a statement each 30 or 60 days showing the financial status of the Agriculture Division fund account.

cc: Bode
Stacy
Betzig

WJEdens/djh

Notes
JWS

File
15

Budget 6-3-53

Subject: Signing of Agreements Obligating FY 1954 Funds.

The question has arisen concerning the earliest date on which program and project agreements obligating FY 1954 funds may be signed. Our controller maintains the following:

1. No agreements obligating FY 1954 funds may be signed by US or Host Govt Representative until the field office has received a validated copy of an Advise of Allotment or an appropriate telegraphic advice

from the competent authorities in Washington indicating the availability of sufficient funds;

(2) An approved Country Program Authorization is not an authorization for the signing of fund-obligating agreements;

(3) A notification from the Department to the Ambassador in accordance with Point 4 Circular 24, Section 7.1, specifically authorizing the signing of a program agreement or other fund-obligating

agreements is no guaranty that sufficient funds are available; & that that remains the responsibility of the field office to ascertain.

In the light of the above opinions it is apparent ~~that~~ a lengthy delay is to be expected before FY 54 funds can be obligated for new projects or to supplement old ones. Congressional approval of the budget may only take place by September or October, 1954.

This delay in getting projects operating & even in continuing old ones would mean a near paralysis of the Saudi Program.

The detrimental effects on SAEJ relations with TCA cannot be over-emphasized. SAEJ is anxious to see work being performed. In nearly all cases, the fruitful development of technicians is dependent on the signing of fund-obligating project agreements.

At this time a number of projects have been drawn up & are in the discussion stage. These involve projects obligating the following amounts $135,000 in Public Health, $250,000 in Education, $604,000 in Natural Resources with as yet unspecified amounts for Agriculture & Transportation.

In accordance with Point 1 above which in turn depends on approval of the budget by Congress, none of these projects will become operative until well into FY 54.

It is imperative that this matter be studied & some solution found. FY 53 funds are not available for any new projects. Is there any way to obligate FY 54 funds for at least a limited number of projects prior to the final approval of the budget.

Furthermore, there is the question as to how far the field can go in discussing (& planning) with SEA the specific activities to be undertaken until such time as the field receives definite information as to the size of the budget & subsequently advices of allotment for specific projects. Discussion of proposed project

with the Government tends to cause the Saudis to feel that TCA is proposing and even committing itself to carry them out.

Emphasizing that a project cannot begin until ~~a~~ fiscal approval has been given does not eliminate from the Saudis' mind, the belief that TCA has made a commitment. ~~Here,~~

Pt 4 Circular #32 notes in Pt 6 that "it is expected that the ~~to avoid embarrassment it is desirable that the Saudis~~ representatives of the 2 govts. will agree on the specific activities to ~~a specific activity~~ be undertaken that year & on the fin. contribution each govt will make to the program" It ~~would~~ appears as though such agreement & commitment can not be made until the budget is approved & a large allotment received. This means that the Saudi program can have no project operating (save those where only tech. & no supplies & equip. are involved) in Education, Agriculture, Nat. Resources, Trans & Comm & only 1 in Health (carried on jointly) until ~~the~~ Sept. or Oct. 1954. ~~[illegible]~~

Work on RCOP can be carried on until funds of the R.C.O.P. Agreement - obligated in FY 53 & to date only in part sub-obligated.

UNCLASSIFIED

Budg

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION

Current Date July 12, 1953

TELEGRAM RECEIVED

Date Sent: July 10, 1953

Number: TECTO 31

FROM: SECSTATE WASHINGTON

Date Received: July 11, 1953

July 1954 allotments approved as follows:

Administrative 17,431 Appropriation 1141000 (10) allotment A401470.

Program $76100 appropriation 11241019 (10) allotment C401471.

TCA/W is making program funds available to participating agencies with understanding that TCA/mission will record sufficient obligations for technicians salary, travel and transportation of effects in *Tbowe program allotment on basis activity authorizations covering present and future operation of agencies.

Program fund contains $40,000 guaranteeing Gungrn* project.

Administrative funds available for purposes outlined in Department Circular Airgram 900 and TECTO 15. DS 150 follows.

STASSEN

*Believed to be errors in transmission

TCA DISTRIBUTION:

f-1 f-4
f-2 CHRON III
f-3

ACTION BY:

BODE

UNCLASSIFIED

Budget.

File 1
2
CHRON III

RESTRICTED

SecState July 1, 1953

PRITY TOTEC 25

RESTRICTED

Quarantine station project agreement dated June 29 signed by TCA and SAG yesterday. Following addition made to paragraph 3 b quote and provided further that $50,000 of this amount will be subject to expenditure on the date of signature of this agreement and the balance not to exceed $50,000 as funds become available unquote.

DUNAWAY

JADunaway
JAStacy
JBode:o

RESTRICTED

Budget

INCOMING TELEGRAM UNCLASSIFIED

July 1, 1953

Circular 15

FROM: SECSTATE WASHINGTON

All TCA Country Directors subject financing of TCA missions after July 1, 1953.

Congress has enacted continuing resolution providing for interim financing through July 31, 1953, or through date enactment of appropriation act whichever is earlier. It provides specified sum for financing all mutual security program during July. Will advise initial allotment for July operations later. The resolution specifically provides "for continuing projects and activities which were conducted in the fiscal year 1953" therefore no obligations or expenditures can be incurred or made for new projects. Allotments that will be made will be two kinds.

1. Administrative expenses to cover expenses country directors staff and administrative service covering technicians expenses that are readily separate from administrative expenses.

2. Program expenses for continuing projects and for those direct costs of technicians that can be identified specifically for technicians. Will advise later allotment symbols and amount for each type operation. View uncertainty annual appropriations it is essential keep July operation cost at minimum level. Local currency normally available without purchase counterpart or other types, shall not be used without deposit of dollars, e.g. allotment to be given you shall cover all obligation both dollar and local currency. However local currency on hand in 19FT560 or 10FT570 accounts may be used if previously alloted to you, for liquidation of obligations legally incurred before June 30, 1953, without reimbursement in dollars. Detailed instructions will be issued shortly. With transfer of TCA to jurisdiction of Director Mutual Security on June 30, 1953, new appropriation symbols will be necessary for month July. If reorganization plan No. 7 is approved another set will be necessary on August 1. The DOS shall render separate accounts current on TCA's operations for July pursuant to

Circular Airgram dated June 19, 1953. There is no authority to incur any additional obligations, except adjustments in liquidating prior obligations, in the 1952 and 1953 allotment after June 30, 1953. Continuing resolution does not extend availability of balances for obligation purposes. New allotments will be streight 1954 appropriation. You will be kept advised of fiscal developments.

STASSEN

TCA DISTRIBUTION:
f-1
f-2
f-3
f-4 CHRON III

Budget

Jidda, Saudi Arabia

June 30, 1953

MEMORANDUM TO: John A. Dunaway
Acting U. S. Director

FROM: John Bode
Controller

SUBJECT: Priority Cable TECTO 22 Dated June 26, 1953

I hereby confirm that I advised you yesterday morning that on the strength of subject cable I will certify that an amount not exceeding $50,000 (Fifty Thousand Dollars) may be obligated at this time as the United States contribution under the Quarantine Station Project Agreement referred to in the cable.

DEPARTMENT OF STATE
FS Form No. 435
Revised June 1949

Budget '54

CROSS-REFERENCE SHEET

DOCUMENT FILE

NOTE

SEE to Washington on Health Personnel & Budget FOR Letter

FROM Dunaway ( ) DATED 6/21/53

TO Fryer NAME

16—53422-2 GPO

REGARDING: Memo. of June 20 from Ferguson to Dunaway & Dunaway reply 6/21/53.

"asks for clear-cut statement on whether sum in budget of a Div for U.S. technicians can be used for local employees & whether sum shown in budget for a particular activity or Div. can be diverted ~~used for~~ to other use.

CONFIDENTIAL

FRITX TOTEC #112

September 9, 1953

TO: TCA/W

TECTO 60. Summary of Program follows with dollars in thousands. Code: Agriculture A, Education E, Health H, Natural Resources N, Public Administration P, Transportation and Communications T. Number U S personnel: A 10, E 7, H 7, N 10, P 5, T 3, total 42. Cost US personnel (includes housing, transportation to and from US, all allowances): A 187, E 100, H 140, N 227, P 85, T 50, total 789. Local travel A 20, E 3, H 29, total 52. Cost of local employees A 8, E 9, H 12, N 10, total 39. Vehicles-Equipment-Supplies, A 12, E 9, H 5, N 54, T 5, total 85. Projects in A - Livestock Improvement 32, Range Improvement 12, Breeding Sires 12, Drainage Hofuf 30, Crop Experiment Hofuf 7, E - Commercial School 58, HR Training 12, School Development Planning 9, H - Quarantine Station 50, Maternal Health Clinic 3, Immunization Program 85, P H Library 2, T - Visual Cmnl Range Civil Aviation 70, total 362. Trainees 33 - cost 135. Discussion with SAG re E and H projects well advanced, also SAG most interested expanded water exploration-development program. Contributions SAG to individual projects dependent on negotiations prior to signing agreement but should more than equal over-all US contributions.

DONAWAY

JAD:mawy
Attrig/dph

CONFIDENTIAL